

May 15, 1998

Mary Ann Wright
Associate Director, Mining
State of Utah
Department of Natural Resources
Division of Oil Gas and Mining
PO Box 145801
Salt Lake City, Utah 84114-5801

Dear Ms. Wright:

Enclosed are two copies of the Settlement Agreement Between Utah Division of Oil, Gas & Mining and USMX of Utah, Inc.. Please execute and return one original to my attention.

Sincerely,

J. G. Kircher
Vice President, Operations

JGK/k

**SETTLEMENT AGREEMENT BETWEEN
UTAH DIVISION OF OIL, GAS & MINING AND USMX OF UTAH, INC.**

STATEMENT OF FACTS:

USMX of Utah, Inc., (USMX) is the owner and operator of the Goldstrike Mine (Site) located in Washington County, Utah.

It is the mutual objective of the Utah Division of Oil, Gas & Mining (UDOGM), the U.S. Department of the Interior, Bureau of Land Management (BLM) and USMX to successfully reclaim the Site in a timely and cost effective manner.

A reclamation and closure plan for the Site has been designed and submitted by USMX and its consultants for approval by UDOGM and the BLM.

USMX has a detailed understanding of the Site, a thorough knowledge of the requirements for closure, and an experienced management team to carry out the plan.

USMX is financially unable at this time to execute the approved reclamation plan on its own.

USMX has posted cash performance bonds of approximately \$1,014,000 pledged to insure Site reclamation.

TERMS OF SETTLEMENT:

USMX agrees to voluntarily surrender all its cash reclamation bonds and its letters of credit to UDOGM.

UDOGM agrees to use the funds from the cash reclamation bonds and its letters of credit to reclaim the Site.

Pursuant to the terms and conditions of the existing joint agency Memorandum of Understanding between UDOGM and the BLM, UDOGM will act as the lead agent in coordinating and managing the forfeited reclamation sureties for this project.

USMX will continue to provide management and oversight, in the capacity as a vendor to UDOGM, responsible for completing the reclamation of the Site in 1998 according to the closure plan.

The budget and schedule (attached as Appendices A-1 and A-2) will be the basis for billings and tracking progress. It is understood that the exact timing of expenditures and tasks may vary depending on when work commences, weather and contractor billing practices.

USMX will provide invoices with supporting documentation to UDOGM on a bi-weekly basis.

UDOGM will make payment to USMX no later than thirty days following receipt of invoices.

UDOGM will appoint a representative who will be consulted by USMX regarding any material decisions or modifications effecting the budget, schedule or closure plan.

USMX will provide written bi-weekly progress reports to UDOGM's designated representative.

UDOGM has the right at its sole discretion to discharge USMX at any time, with two weeks notice and settlement of all outstanding invoices.

If any monies remain from the bond after post closure they would be returned to USMX.

The effective date of this settlement is May 18, 1998.

Agreed to this 15th day of May, 1998.

Joe G. Kircher
Joe G. Kircher, Vice President of Operations
USMX of Utah, Inc.
Tax payer ID #: 76-02-6362-2

STATE OF Colorado)
)
COUNTY OF Adams)

On the 15th day of May, 1998, personally
appeared before me J. G. Kircher, who being by me duly sworn did
say that he, the said J. G. Kircher is the Vice President
of Operations of USMX of Utah, Inc. and duly acknowledged
that said instrument was signed on behalf of said company by authority of its bylaws or a
resolution of its board of directors and said J. G. Kircher
duly acknowledged to me that said company executed the same.

Kayron L. McCoy
Notary Public
Residing at: Westminster Co.

Sept. 23, 1998
My Commission Expires:

KAYRON MCCOY
Notary Public, State of Colorado
County of Adams
Commission Expires Sept. 23, 1998

Agreed to this 15 day of May, 1998.

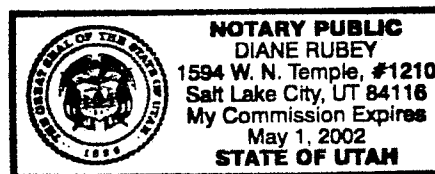
Lowell P. Braxton
Lowell P. Braxton, Acting Director
Utah Division of Oil, Gas and Mining

STATE OF Utah)
COUNTY OF Salt Lake)

On the 15 day of May, 1998, personally
appeared before me Lowell P. Braxton, who being by me duly sworn did
say that he, the said Lowell P. Braxton is the Acting Director
of Division of Oil, Gas and Mining and duly acknowledged
that said instrument was signed on behalf of said company by authority of its bylaws or a
resolution of its board of directors and said Lowell P. Braxton
duly acknowledged to me that said company executed the same.

Diane Rubey
Notary Public
Residing at: Salt Lake City

May 1, 2002
My Commission Expires:



APPENDIX A-1

GOLDSTRIKE MINE - 1998 Reclamation/Closure Budget

Description	May	June	July	August	September	October	November	December	Totals
Freight/Postage	\$ 50	\$ 100	\$ 100	\$ 200	\$ 100				\$ 550
Corporate G&A	2,000	4,000	4,000	4,000	4,000				\$ 18,000
Wages Admin	5,600	11,200	11,200	11,200	11,200	11,200	4,600	1,500	\$ 67,700
Completion Incentive	-	-	-	-	-	45,000	-	-	\$ 45,000
Supplies	200	400	400	400	400	400			\$ 2,200
Vehicle Maintenance	750	1,500	1,500	1,500	1,500				\$ 6,750
Communications	250	500	500	500	500				\$ 1,750
General Insurance	250	500	500	500	500	500			\$ 2,750
Travel Expense	1,250	1,250	1,250	1,250	1,250	1,250	1,250	250	\$ 9,000
Property Tax									\$ -
Environmental Tests	1,250	2,500	2,500	2,500	2,500	2,500	2,500	2,000	\$ 18,250
Safety Supplies	50	100	100	100	100				\$ 450
Out/Services	50	100	100	100	100				\$ 450
Temps	1,500	6,500	6,500	6,500	6,500				\$ 27,500
Diesel	1,500	2,000	2,000	2,000	2,000	2,000	1,000		\$ 12,500
Plant Decomm				10,000	10,000				\$ 20,000
Pad 1 Rip			20,000						\$ 20,000
Pad 2 Shape		100,000	110,000	70,000					\$ 280,000
Infiltration Gallery		10,000							\$ 10,000
Pad 2 Topsoil				40,000	70,000				\$ 110,000
Ponds Decomm			1,000	10,000	10,000				\$ 21,000
Canyon/Beaver						8,000			\$ 8,000
Padre Road					5,000				\$ 5,000
Plant/Pad Ripping					12,000				\$ 12,000
Pad 2/Plant Revegetation						40,000	10,000		\$ 50,000
Force Acct.			8,000	8,000	8,000	8,000			\$ 32,000
Dozer Misc.					15,000	15,000			\$ 30,000
Drill Roads						49,000			\$ 49,000
Noi/JBR Consultants		10,000		5,000		10,000			\$ 25,000
Security		2,000	2,000	2,000					\$ 6,000
Equipment Storage	200	400	400	400	400	400	400		\$ 2,600
Dump 1 Revegetation			15,000						\$ 15,000
Contingency		4,000	15,000	15,000	15,000	15,000			\$ 64,000
Totals	\$ 14,900	\$ 157,050	\$ 202,050	\$ 191,150	\$ 175,550	\$ 208,250	\$ 19,750	\$ 3,750	\$ 972,450

[Signature]
5/15/98

GOLDSTRIKE PROJECT TIME LINE APPENDIX A-2

